

Message Text

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ORIGIN STR-04

INFO OCT-01 EA-07 ISO-00 FEA-01 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-07 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05
SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01
STRE-00 /083 R

DRAFTED BY STR:KALLEMAN:TI
APPROVED BY STR:RHEIMLICH
AGRICULTURE:GSINDELAR
STATE:WDIROLL

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R 182325Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY TAIPEI
INFO AMEMBASSY SEOUL

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E.O. 11652: N/A

TAGS: ETRD, KR, TW

SUBJECT: MUSHROOMS

REF: (A) TAIPEI AGRICULTURAL ATTACHE'S REPORT TW-7009
DATED 5/6/77; (B) STATE 50258; (C) STATE 49201;
(D) TAIPEI 2794

1. IN REF (A) MISSION REPORTED THAT TAIWANESE MUSHROOM
EXPORTS TO THE U.S. WERE 1,469,970 STANDARD CASES IN CY
1976 AND TMPUEC FORECASTED EXPORTS OF 1,750,000 STANDARD
CASES TO THE U.S. DURING BY 1977. CONVERTING THESE FIG-
URES TO DRAINED WEIGHT POUNDS (ONE STANDARD CASE EQUALS 24
POUNDS DRAINED WEIGHT), TAIWANESE EXPORTS TO THE U.S. WOULD
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BE 35.3 MIL. POUNDS IN CY 1976, WITH FORECASTED EXPORTS OF
42.0 MIL. POUNDS IN CY 1977.

2. U.S. IMPORT DATA FOR 1976 SHOW IMPORTS FROM TAIWAN OF
40.2 MIL. POUNDS (DRAINED WEIGHT BASIS), 4.9 MIL. POUNDS,
OR 14 PERCENT, HIGHER THAN THE TMPUEC 1976 EXPORT FIGURE
OF 35.3 MIL. POUNDS. CAN THIS DISCREPANCY BE EXPLAINED BY

DIFFERENCES IN PRODUCT COVERAGE (WE UNDERSTAND THAT TPMUEC EXPORT DATA DO NOT INCLUDE EXPORTS OF STRAW MUSHROOMS WHICH ARE INCLUDED IN THE U.S. IMPORT DATA)? U.S. MONITORING OF MUSHROOM IMPORTS IS DONE ON THE BASIS OF ALL MUSHROOMS CLASSIFIABLE UNDER TSUS ITEM 144.20, WHICH INCLUDES FROZEN AND STRAW MUSHROOMS (REFTEL B). OR COULD DIVERSION OF TAIWANESE MUSHROOM EXPORTS INTENDED FOR IMPORTATION IN THIRD COUNTRIES TO THE U.S. MARKET (I.E. TRANSSHIPMENT) BE ANOTHER FACTOR?

3. IN VIEW OF THE SIZEABLE DISCREPANCY AND ITS IMPORTANCE TO 1977 TRADE, REQUEST EMBASSY TO ENDEAVOR TO RECONCILE TPMUEC EXPORT DATA FOR 1976 WITH U.S. IMPORT DATA AND CLARIFY TPMUEC EXPORT INTENTIONS FOR 1977. DOES EMBASSY HAVE ANY KNOWLEDGE THAT MUSHROOMS AUTHORIZED BY TPMUEC FOR EXPORT TO THIRD COUNTRIES ARE BEING DIVERTED TO THE U.S. MARKET?

4. U.S. IMPORTS OF MUSHROOMS (IN MILLIONS OF POUNDS, DRAINED WEIGHT BASIS) FROM TAIWAN AND KOREA ARE AS FOLLOWS:

	PERCENT INCREASE OVER TAIWAN PREVIOUS YEAR	PERCENT INCREASE OVER KOREA PREVIOUS YEAR
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MY 75/76	36.1		18.0	
MY 76/77	41.4 (1)	PLUS 15	21.7 (1)	PLUS 21
MY 77/78	NA	NA	20.0 (3)	MINUS 8

CY 75	35.0		14.0	
CY 76	40.2	PLUS 15	23.1	PLUS 65
CY 77	47.9 (2)	PLUS 19	10.0 (4)	MINUS 13

(1) PRELIMINARY U.S. IMPORT DATA FOR JULY 1, 1976 THROUGH JUNE 25, 1977.

(2) ESTIMATED ON THE BASIS OF A 19 PERCENT INCREASE IN CY 77 EXPORTS.

(3) FORECAST BY REPUBLIC OF KOREA.

(4) ESTIMATE BY STR.

5. AS CAN BE SEEN FROM THE ABOVE TABLE, U.S. IMPORTS FROM TAIWAN FOR CY 76 WERE 15 PERCENT ABOVE THE CY 75 LEVEL. A 19 PERCENT INCREASE IN CY 77 IMPORTS FROM TAIWAN WOULD BE PARTICULARLY DISTURBING IN LIGHT OF THE FACT THAT THE CY 76 TOTAL EXCEEDED THE LEVEL EXPECTED BY STR (ON THE BASIS OF THE SEPTEMBER 1976 DISCUSSIONS IN TAIPEI) BY OVER

3 MILLION POUNDS DUE TO LARGE SHIPMENTS IN THE FOURTH QUARTER OF 1976. FURTHERMORE, STR'S MONITORING OF DOMESTIC CANNED MUSHROOM MARKET CONDITIONS SHOWS THAT THE DOMESTIC MARKET IS NOT STRONG ENOUGH TO SUPPORT A POTENTIAL 19 PERCENT INCREASE IN IMPORTS IN CY 77 FROM OUR LARGEST FOREIGN SUPPLIER OF CANNED MUSHROOMS. SHOULD ACTUAL U.S. MUSHROOM

IMPORTS FROM TAIWAN IN 1977 AGAIN EXCEED TMPUEC EXPORTS BY THE SAME OVERAGE RATE EXPERIENCED IN 1976, THAT IS BY 14 PERCENT, THEN TOTAL IMPORTS FROM THE ROC (ON A U.S. IMPORT BASIS) WOULD REACH ALMOST 48 MIL. POUNDS, MARKING AN INCREASE OF 36 PERCENT OVER THE TMPUEC EXPORT FIGURE FOR 1976. YOU SHOULD REMIND APPROPRIATE ROC AND TMPUEC OFFICIALS OF THE ASSURANCES THAT THE ROC HAS GIVEN STR LIMITED OFFICIAL USE

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THAT ITS MUSHROOM EXPORTS TO THE U.S. IN THE FUTURE WILL NOT INCREASE AT A RATE WHICH WOULD DISRUPT THE UNITED STATES MARKET IN ANY WAY (REFTEL C).

6. KOREAN EXPORTS TO THE UNITED STATES INCREASED SHARPLY IN BOTH CY 76 AND MY 75/76, BUT PART OF THE INCREASE IS ATTRIBUTABLE TO A TRANSSHIPMENT PROBLEM WHICH THE ROK AND STR ARE NOW ATTEMPTING TO CONTROL BY IMPLEMENTATION OF AN EXPORT VISA MONITORING SYSTEM (REFTEL D). BEGINNING ON JULY 1, 1977, ALL MUSHROOMS AUTHORIZED FOR EXPORT TO THE UNITED STATES BY THE ROK WILL BE ACCOMPANIED BY AN AUTHORIZING STAMP (I.E. VISA) ON THE U.S. CUSTOMS FORM TO BE PRESENTED UPON ENTRY OF THE SHIPMENT IN THE UNITED STATES. THE U.S. CUSTOMS SERVICE WILL TABULATE THE QUANTITY OF WEEKLY ENTRIES OF KOREAN MUSHROOMS (EXPORTED AFTER JUNE 30, 1977) WITHOUT THE VISA, BY PORT OF ENTRY. THIS INFORMATION WILL BE TRANSMITTED TO STR WHO WILL THEN RELAY IT TO ROK OFFICIALS IN WASHINGTON FOR USE IN CONTROLLING TRANSHIPMENTS.

7. ALSO, THE ROK HAS INFORMED STR THAT ITS MUSHROOM EXPORTS TO THE U.S. IN MY 77/78 WILL BE ONLY 20.0 MIL. POUNDS, AN EIGHT PERCENT CUTBACK FROM THE 1976/77 MARKETING YEAR LEVEL. VANCE

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 18-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Secure: OPEN
Status: NATIVE
Subject: MUSHROOMS
TAGS: ETRD, KS, TW, US
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